

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /112 W

----- 111170

R 201342Z SEP 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 6286

INFO USDOC WASHDC

AMEMBASSY ABU DHABI

AMEMBASSY ATHENS

USINT BAGHDAD

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

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ATHENS FOR RTDO

E.O. 11652: N/A

TAGS: ENRG, EIND, KU

SUBJECT: GOK AWARDS ASPHALT PLANT TO FOSTER-WHEELER

1. EMBASSY HAS LEARNED FROM USUALLY RELIABLE GOK MINISTRY
OF OIL SOURCE THAT FOSTER WHEELER HAS BEEN AWARDED
THE CONTRACT FOR CONSTRUCTION OF A \$10 MILLION ASPHALT
PLANT FOR KUWAIT OIL COMPANY (KOC). PLANT CAPACITY
WOULD BE 150,000-200,000 TONS PER ANNUM, AND WOULD
GO INTO OPERATION BY 1978. OTHER BIDDERS ON PROJECT
WERE PROCON, HOWE-BAKER, AND LURGI.

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2. FOSTER WHEELER CONSTRUCTION MANAGER ON KUWAITI NATIONAL PETROLEUM COMPANY'S HYDROGEN (H-OIL) AND ISOMAX PROJECT WAS UNABLE TO CONFIRM ACTUAL AWARD, BUT NOTED THAT REPS FROM COMPANY'S ITALIAN OFFICE (WHO APPARENTLY WILL BE UNDERTAKING JOB) HAD VISITED RECENTLY TO NAIL DOWN ADMINISTRATIVE DETAILS (E.G. 13-15 COMPANY SUPERVISORS WILL BE BROUGHT TO KUWAIT FOR PROJECT).

3. COMMENT: ASPHALT IS IN GREAT DEMAND BECAUSE OF INCREASED PACE OF ROAD AND OTHER CONSTRUCTION. IN PARTICULAR, ONCE MOTORWAYS PROJECT MOVES INTO HIGH GEAR, DEMAND FOR "BITUMEN" (AS BRITISH-INFLUENCED KOC CALLS IT) WILL SKYROCKET. FOSTER WHEELER IS WELL REPRESENTED IN KUWAIT. ITS LOCAL PARTNER, KREMENCO, IS INVOLVED IN REFINERY MAINTENANCE, MANUFACTURER OF HEAT EXCHANGERS AND OTHER PROJECTS. FOSTER WHEELER IS ALSO WORKING ON A \$95 MILLION H-OIL PLANT FOR KNPC, (IT HAS BEEN REPORTED THAT AN ADDITIONAL \$35 MILLION UNIT IS "IN THE MILL"). FOSTER WHEELER HAS ALSO BEEN AWARDED THE CONSTRUCTION OF THE \$12 MILLION PARSONS-DESIGNED SULPHUR PLANT. EMBASSY WAS TOLD THAT PROCON, NEAREST COMPETITOR IN PROJECT, HAD SUBMITTED THE LOWEST BID. IF TRUE, AWARD TO FOSTER WHEELER WOULD INDICATE THAT GOK HAS ENOUGH CONFIDENCE IN COMPANY, BASED ON ITS PAST AND CURRENT WORK HERE, TO DROP ITS USUAL INSISTENCE ON LOW PRICE. MAESTRONE

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